

FORTY-FIRST DAY
(Tuesday, March 25, 1975)

The Senate met at 10:30 o'clock a.m., pursuant to adjournment, and was called to order by the President.

The roll was called and the following Senators were present: Adams, Aikin, Andujar, Bracklein, Brooks, Creighton, Doggett, Farabee, Hance, Harrington, Harris, Jones, Kothmann, Lombardino, Longoria, Mauzy, McKinnon, McKnight, Meier, Mengden, Moore, Ogg, Patman, Santiesteban, Schwartz, Sherman, Snelson, Traeger and Williams.

Absent-excused: Clower and Gammage.

A quorum was announced present.

The Reverend W. Boyd Harris, Grace United Methodist Church, Austin, Texas, offered the invocation as follows:

O God, because You love all that You have made, make us creatures more mindful of our Creator. Put within our hearts the desire to love You more. Enable us to think of our fellowman as we would like to be thought of ourselves. Put within our minds the aim of treating all men fairly and honestly.

Give to these Senators a double measure of humility and patience as they deal with the concerns of people across this great state. Help them to realize that they cannot choose wisely and well without spiritual guidance from above. Send the gift of Your holy spirit upon them and all men that they may pause consistently for prayer and guidance and thereby be encouraged and empowered with a gracious spirit as they go about their tasks and responsibilities of each day.

Make us victorious over sin and evil as Your love caused Jesus Christ to be triumphant over sin and death. In His glory may we live victoriously as servants of mankind. In Jesus name we pray. Amen.

On motion of Senator Aikin and by unanimous consent, the reading of the Journal of the proceedings of yesterday was dispensed with and the Journal was approved.

LEAVES OF ABSENCE

Senator Clower was granted leave of absence for today on account of important business on motion of Senator Mauzy.

Senator Gammage was granted leave of absence for today on account of important business on motion of Senator Brooks.

REPORTS OF STANDING COMMITTEES

Senator Gammage, Vice-Chairman, submitted the following reports for the

Committee on Human Resources:

C.S.S.B. 270 (Read first time)
C.S.S.B. 433 (Read first time)
H.B. 499

Senator Aikin submitted the following report for the Committee on Finance:

S.B. 756 (Amended)

Senator Moore submitted the following reports for the Committee on State Affairs:

S.B. 789
S.B. 687
S.B. 104
S.B. 436

MESSAGES FROM THE GOVERNOR

The following Messages from the Governor were read and were referred to the Committee on State Affairs, Sub-Committee on Nominations:

Austin, Texas
March 25, 1975

TO THE SENATE OF THE SIXTY-FOURTH LEGISLATURE, REGULAR SESSION:

I ask the advice, consent and confirmation of the Senate with respect to the following appointment:

To be District Judge of the 138th Judicial District of Texas, Willacy and Cameron Counties, until the next general election and until his successor shall be duly elected and qualified: The Honorable Thomas Gilbert Sharpe of Brownsville, Cameron County is replacing Judge H. A. Garcia of Brownsville, Cameron County who is deceased.

TO THE SENATE OF THE SIXTY-FOURTH LEGISLATURE, REGULAR SESSION:

I ask the advice, consent and confirmation of the Senate with respect to the following appointment:

To be a Member of the Gulf States Marine Fisheries Commission: For a three-year term to expire March 17, 1978: Mr. John A. Mehos of Galveston, Galveston County is being reappointed.

Respectfully submitted,
DOLPH BRISCOE
Governor of Texas

CO-AUTHOR OF SENATE BILL 259

On motion of Senator Snelson and by unanimous consent, Senator Williams will be shown as Co-author of S. B. 259.

CO-AUTHOR OF SENATE BILL 761

On motion of Senator McKnight and by unanimous consent, Senator Williams will be shown as Co-author of S. B. 761.

CO-AUTHOR OF SENATE BILL 762

On motion of Senator McKnight and by unanimous consent, Senator Williams will be shown as Co-author of S. B. 762.

SENATE BILL 426 ON SECOND READING

On motion of Senator Traeger and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to engrossment:

S.B. 426, A bill to be entitled An Act relating to the terms of office of directors of telephone cooperatives; amending Subsection (c), Section 14, Telephone Cooperative Act (Article 1528c, Vernon's Texas Civil Statutes); and declaring an emergency.

The bill was read second time and was passed to engrossment.

SENATE BILL 426 ON THIRD READING

Senator Traeger moved that the Constitutional Rule and Senate Rule 68 requiring bills to be read on three several days be suspended and that **S.B. 426** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 0.

Yeas: Adams, Aikin, Andujar, Braecklein, Brooks, Creighton, Doggett, Farabee, Hance, Harrington, Harris, Jones, Kothmann, Lombardino, Longoria, Mauzy, McKinnon, McKnight, Meier, Mengden, Moore, Ogg, Patman, Santiesteban, Schwartz, Sherman, Snelson, Traeger and Williams.

Absent-excused: Clower and Gammage.

The President then laid the bill before the Senate on its third reading and final passage.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 0.

Yeas: Adams, Aikin, Andujar, Braecklein, Brooks, Creighton, Doggett, Farabee, Hance, Harrington, Harris, Jones, Kothmann, Lombardino, Longoria, Mauzy, McKinnon, McKnight, Meier, Mengden, Moore, Ogg, Patman, Santiesteban, Schwartz, Sherman, Snelson, Traeger and Williams.

Absent-excused: Clower and Gammage.

SENATOR ANNOUNCED PRESENT

Senator Clower who had previously been recorded as "Absent-excused" was announced "Present".

SENATE BILL 137 ON SECOND READING

On motion of Senator Schwartz and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to engrossment:

S.B. 137, A bill to be entitled An Act declaring as public policy of the State the maintenance of the ecological environment of the bays and estuaries in the conservation and development of the State's natural resources; etc.; and declaring an emergency.

The bill was read second time and was passed to engrossment.

SENATE BILL 137 ON THIRD READING

Senator Schwartz moved that the Constitutional Rule and Senate Rule 68 requiring bills to be read on three several days be suspended and that **S.B. 137** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Yeas: Adams, Aikin, Andujar, Bracklein, Brooks, Clower, Creighton, Doggett, Farabee, Hance, Harrington, Harris, Jones, Kothmann, Lombardino, Longoria, Mauzy, McKinnon, McKnight, Meier, Mengden, Moore, Ogg, Patman, Santiesteban, Schwartz, Sherman, Snelson, Traeger and Williams.

Absent-excused: Gammage.

The President then laid the bill before the Senate on its third reading and final passage.

The bill was read third time and was passed.

MESSAGE FROM THE HOUSE

Hall of the House of Representatives
Austin, Texas, March 25, 1975

Honorable William P. Hobby
President of the Senate

Sir: I am directed by the House to inform the Senate that the House has passed the following:

S.C.R. 49, Relating to the release of state agency personnel for the observance of Good Friday and Passover.

H.C.R. 104, Requesting the Senate to return Senate Bill 74 to the House of Representatives for further consideration.

The House concurred in Senate amendments to **H.B. 179**, by record vote of 131 Ayes, 1 Nay.

H.B. 94, A bill to be entitled An Act relating to the purchase and operation of school buses; amending Subchapter F, Chapter 21, Texas Education Code; repealing conflicting laws; and declaring an emergency. Failed passage to engrossment by 66 Ayes, 77 Noes; the motion to reconsider and table prevailed.

S.B. 3, A bill to be entitled An Act making unlawful the execution of an oil, gas, and mineral lease by certain enumerated persons, agencies, and entities unless such lease shall include provisions that no gas produced from the mineral estate subject to such lease shall be sold or contracted for sale for ultimate use outside of the State of Texas unless and until the Texas Railroad Commission shall find that neither the lessor, certain health-care facilities, public and private schools, state and other public facilities, food and fiber producers, nor any resident of Texas requires said gas as fuel to meet needs for heat and electricity, etc.; and declaring an emergency.

H.B. 48, A bill to be entitled An Act relating to the payment of the limited sales, excise, and use tax by persons who perform improvements on real estate; adding a Paragraph (T-1) defining real estate contractor or repairman to Article 20.01, Title 122A, Taxation--General, Revised Civil Statutes of Texas, 1925, as amended; amending Paragraphs (T) and (R) of Article 20.01, Title 122A, Taxation--General, Revised Civil Statutes of Texas, 1925, as amended; and declaring an emergency.

H.B. 613, A bill to be entitled An Act relating to excluding from the definition of sales price under the Limited Sales, Excise and Use Tax Act certain tips and gratuities; amending Subsection (3), Section (L), Article 20.01, Title 122A, Taxation--General, Revised Civil Statutes of Texas, 1925, as amended; and declaring an emergency.

H.B. 542, A bill to be entitled An Act relating to absentee voting in elections; amending Subdivisions 1, 2, and 3b, Section 37, Texas Election Code, as amended (Article 5.05, Vernon's Texas Election Code), to add provisions permitting voters confined in jail to vote absentee; also deleting or revising obsolete provisions; and declaring an emergency.

The House refused to concur in Senate amendments to House Bill 139 and has requested the appointment of a Conference Committee to consider the differences between the two Houses. House Conferees: Newton, Chairman, Craddick, Denson, Hoestenbach, Nugent.

The House refused to concur in Senate amendments to House Bill 53 and has requested the appointment of a Conference Committee to consider the differences between the two Houses. House Conferees: Baker, Chairman, McDonald (Hidalgo), Harris, Washington, Earle.

Respectfully submitted,
DOROTHY HALLMAN
Chief Clerk, House of Representatives

SENATE BILL 427 ON SECOND READING

On motion of Senator Traeger and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to engrossment:

S.B. 427, A bill to be entitled An Act relating to the powers of telephone cooperatives; amending Section 4, Telephone Cooperative Act, as amended (Article 1528c, Vernon's Texas Civil Statutes); and declaring an emergency.

The bill was read second time and was passed to engrossment.

SENATE BILL 427 ON THIRD READING

Senator Traeger moved that the Constitutional Rule and Senate Rule 68 requiring bills to be read on three several days be suspended and that **S.B. 427** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Yeas: Adams, Aikin, Andujar, Braecklein, Brooks, Clower, Creighton, Doggett, Farabee, Hance, Harrington, Harris, Jones, Kothmann, Lombardino, Longoria, Mauzy, McKinnon, McKnight, Meier, Mengden, Moore, Ogg, Patman, Santiesteban, Schwartz, Sherman, Snelson, Traeger and Williams.

Absent-excused: Gammage.

The President then laid the bill before the Senate on its third reading and final passage.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 0.

Yeas: Adams, Aikin, Andujar, Braecklein, Brooks, Clower, Creighton, Doggett, Farabee, Hance, Harrington, Harris, Jones, Kothmann, Lombardino, Longoria, Mauzy, McKinnon, McKnight, Meier, Mengden, Moore, Ogg, Patman, Santiesteban, Schwartz, Sherman, Snelson, Traeger and Williams.

Absent-excused: Gammage.

CONFERENCE COMMITTEE ON HOUSE BILL 139

Senator Meier called from the President's table for consideration at this time, the request of the House for a Conference Committee to adjust the differences between the two Houses on **H.B. 139** and moved that the request be granted.

The motion prevailed.

RECORD OF VOTE

Senator Aikin asked to be recorded as voting "Nay" on the motion to grant the request of the House.

Accordingly, the President announced the appointment of the following conferees on the part of the Senate on the bill: Senators Meier, Adams, Doggett, Gammage and Lombardino.

SENATE BILL 362 ON SECOND READING

On motion of Senator Harris and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading

and passage to engrossment:

S.B. 362, A bill to be entitled An Act amending Section 1 of Chapter 21, Acts of the 57th Legislature, First Called Session, 1961, codified as Section 1 of Article 3272a, Vernon's Annotated Texas Civil Statutes, as said article has, heretofore, in other sections been amended, to provide the conditions upon which and the term of years after which travelers checks shall be deemed subject to escheat; reenacting all existing provisions in said Section 1; and declaring an emergency.

The bill was read second time and was passed to engrossment.

SENATE BILL 362 ON THIRD READING

Senator Harris moved that the Constitutional Rule and Senate Rule 68 requiring bills to be read on three several days be suspended and that **S.B. 362** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Yeas: Adams, Aikin, Andujar, Braecklein, Brooks, Clower, Creighton, Doggett, Farabee, Hance, Harrington, Harris, Jones, Kothmann, Lombardino, Longoria, Mauzy, McKinnon, McKnight, Meier, Mengden, Moore, Ogg, Patman, Santiesteban, Schwartz, Sherman, Snelson, Traeger and Williams.

Absent-excused: Gammage.

The President then laid the bill before the Senate on its third reading and final passage.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 0.

Yeas: Adams, Aikin, Andujar, Braecklein, Brooks, Clower, Creighton, Doggett, Farabee, Hance, Harrington, Harris, Jones, Kothmann, Lombardino, Longoria, Mauzy, McKinnon, McKnight, Meier, Mengden, Moore, Ogg, Patman, Santiesteban, Schwartz, Sherman, Snelson, Traeger and Williams.

Absent-excused: Gammage.

HOUSE CONCURRENT RESOLUTION 104 ON SECOND READING

The President laid before the Senate the following resolution:

H.C.R. 104, Requesting the Senate to return Senate Bill 74 to the House of Representatives for further consideration.

On motion of Senator Harrington and by unanimous consent, the resolution was considered immediately and was adopted.

SENATOR ANNOUNCED PRESENT

Senator Gammage who had previously been recorded as "Absent-excused" was announced "Present".

SENATE BILL 688 ON SECOND READING

On motion of Senator Moore and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to engrossment:

S.B. 688, A bill to be entitled An Act amending Section 1.03(1) of Acts 1971, 62nd Legislature, Regular Session, p. 89, Chapter 51, Section 1, as amended, providing for a definition of "motor vehicle"; amending Section 5.02 of Acts 1971, 62nd Legislature, Regular Session, p. 89, Chapter 51, Section 1, as amended, by adding subsection (11) prohibiting new motor vehicle manufacturers and distributors and their representatives from preventing the succession to a dealership notwithstanding the terms of any franchise agreement; and declaring an emergency.

The bill was read second time.

Senator Moore offered the following Committee Amendment to the bill:

Amend Senate Bill 688 by striking Section 1 thereof and substituting in lieu thereof, the following:

"Section 1. Amend Section 1.03(1) of Acts 1971, 62nd Legislature, Regular Session, p. 89, Chapter 51, Section 1, as amended, so as to read as follows:

"(1) 'Motor vehicle' means every fully self-propelled vehicle which has as its primary purpose the transport of a person or persons, or property, on a public highway, and having two or more wheels."

The Committee Amendment was read and was adopted.

On motion of Senator Moore and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

The bill as amended was passed to engrossment.

SENATE BILL 688 ON THIRD READING

Senator Moore moved that the Constitutional Rule and Senate Rule 68 requiring bills to be read on three several days be suspended and that **S.B. 688** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

Yeas: Adams, Aikin, Andujar, Braecklein, Brooks, Clower, Creighton, Doggett, Farabee, Gammage, Hance, Harrington, Harris, Jones, Kothmann, Lombardino, Longoria, Mauzy, McKinnon, McKnight, Meier, Mengden, Moore, Ogg, Patman, Santiesteban, Schwartz, Sherman, Snelson, Traeger and Williams.

The President then laid the bill before the Senate on its third reading and final passage.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

Yeas: Adams, Aikin, Andujar, Braecklein, Brooks, Clower, Creighton, Doggett, Farabee, Gammage, Hance, Harrington, Harris, Jones, Kothmann, Lombardino, Longoria, Mauzy, McKinnon, McKnight, Meier, Mengden, Moore, Ogg,

Patman, Santiesteban, Schwartz, Sherman, Snelson, Traeger and Williams.

BILLS AND RESOLUTION SIGNED

The President announced the signing in the presence of the Senate after the caption had been read, the following enrolled bills and resolution:

H.B. 169 (Signed subject to Article
III, Section 49a
of the Constitution)

H.B. 690

H.B. 116

H.B. 179

H.C.R. 21

SENATE BILL 404 ON SECOND READING

On motion of Senator Doggett and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to engrossment:

S.B. 404, A bill to be entitled An Act to supplement the appropriation to Southwest Texas State University for utilities for the year ending August 31, 1975, by the amount of \$552,000 to pay additional cost of purchased utilities to the educational and general facilities of the University; and declaring an emergency.

The bill was read second time.

Senator Doggett offered the following Committee Amendment to the bill:

Amend **S.B. 404** by striking the number \$552,000 and substituting \$379,790 therefor.

The Committee Amendment was read and was adopted.

On motion of Senator Doggett and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

The bill as amended was passed to engrossment.

SENATE BILL 404 ON THIRD READING

Senator Doggett moved that the Constitutional Rule and Senate Rule 68 requiring bills to be read on three several days be suspended and that **S.B. 404** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

Yeas: Adams, Aikin, Andujar, Braecklein, Brooks, Clower, Creighton, Doggett, Farabee, Gammage, Hance, Harrington, Harris, Jones, Kothmann, Lombardino, Longoria, Mauzy, McKinnon, McKnight, Meier, Mengden, Moore, Ogg, Patman, Santiesteban, Schwartz, Sherman, Snelson, Traeger and Williams.

The President then laid the bill before the Senate on its third reading and final passage.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

Yeas: Adams, Aikin, Andujar, Braecklein, Brooks, Clower, Creighton, Doggett, Farabee, Gammage, Hance, Harrington, Harris, Jones, Kothmann, Lombardino, Longoria, Mauzy, McKinnon, McKnight, Meier, Mengden, Moore, Ogg, Patman, Santiesteban, Schwartz, Sherman, Snelson, Traeger and Williams.

COMMITTEE SUBSTITUTE SENATE BILL 142 ON SECOND READING

On motion of Senator Creighton and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to engrossment:

C.S.S.B. 142, A bill to be entitled An Act relating to regulations of the Parks and Wildlife Commission for the health, safety, and protection of persons and property on water within the boundaries of state parks, historic sites, scientific areas, or forts; allowing the retention of a portion of certain fines imposed for violating a regulation of the Parks and Wildlife Commission concerning acts in state parks; amending Sections 1 and 4, Chapter 383, Acts of the 62nd Legislature, Regular Session, 1971 (Article 6067b, Vernon's Texas Civil Statutes); and declaring an emergency.

The bill was read second time and was passed to engrossment.

COMMITTEE SUBSTITUTE SENATE BILL 142 ON THIRD READING

Senator Creighton moved that the Constitutional Rule and Senate Rule 68 requiring bills to be read on three several days be suspended and that **C.S.S.B. 142** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

Yeas: Adams, Aikin, Andujar, Braecklein, Brooks, Clower, Creighton, Doggett, Farabee, Gammage, Hance, Harrington, Harris, Jones, Kothmann, Lombardino, Longoria, Mauzy, McKinnon, McKnight, Meier, Mengden, Moore, Ogg, Patman, Santiesteban, Schwartz, Sherman, Snelson, Traeger and Williams.

The President then laid the bill before the Senate on its third reading and final passage.

The bill was read third time and was passed.

RECORD OF VOTE

Senator McKinnon asked to be recorded as voting "Nay" on the final passage of the bill.

CONFERENCE COMMITTEE ON HOUSE BILL 53

Senator Schwartz called from the President's table for consideration at this time, the request of the House for a Conference Committee to adjust the differences between the two Houses on **H.B. 53** and moved that the request be granted.

The motion prevailed.

Accordingly, the President announced the appointment of the following conferees on the part of the Senate on the bill: Senators Schwartz, Meier, Adams, Brooks and Doggett.

SENATE BILL 205 ON SECOND READING

On motion of Senator Doggett and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to engrossment:

S.B. 205, A bill to be entitled An Act amending Section 3.15 of Chapter 67, Acts of the 59th Legislature, Regular Session, 1965, as amended by Chapter 688, Acts of the 61st Legislature, Regular Session, 1969 (codified as Section 3.15 of Article 5547-203 of Vernon's Texas Civil Statutes); authorizing the Texas Department of Mental Health and Mental Retardation to make transfers of personal property to community centers for mental health and mental retardation services; and declaring an emergency.

The bill was read second time and was passed to engrossment.

RECORD OF VOTE

Senator McKinnon asked to be recorded as voting "Nay" on the passage of the bill to engrossment.

SENATE BILL 205 ON THIRD READING

Senator Doggett moved that the Constitutional Rule and Senate Rule 68 requiring bills to be read on three several days be suspended and that **S.B. 205** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 2.

Yeas: Adams, Aikin, Andujar, Braecklein, Brooks, Clower, Creighton, Doggett, Farabee, Gammage, Hance, Harrington, Harris, Jones, Kothmann, Lombardino, Longoria, Mauzy, McKinnon, McKnight, Moore, Ogg, Patman, Santiesteban, Schwartz, Sherman, Snelson, Traeger and Williams.

Nays: Meier and Mengden.

The President then laid the bill before the Senate on its third reading and final passage.

The bill was read third time and was passed by the following vote: Yeas 28, Nays 3.

Yeas: Adams, Aikin, Andujar, Braecklein, Brooks, Clower, Creighton, Doggett, Farabee, Gammage, Hance, Harrington, Harris, Jones, Kothmann, Lombardino, Longoria, Mauzy, McKnight, Moore, Ogg, Patman, Santiesteban, Schwartz, Sherman, Snelson, Traeger and Williams.

Nays: McKinnon, Meier and Mengden.

SENATE BILL 95 ON SECOND READING

On motion of Senator Williams and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to engrossment:

S.B. 95, A bill to be entitled An Act relating to special license plates for disabled veterans; amending Subsections (a), (c), (d), and (f), Section 5e, Chapter 88, General Laws, Acts of the 41st Legislature, 2nd Called Session, 1929, as amended (Article 6675a-5e, Vernon's Texas Civil Statutes); and declaring an emergency.

The bill was read second time.

Senator Williams offered the following Committee Amendment to the bill:

Amend Senate Bill 95, Section 2, paragraph (c) by striking the last word on line 5 and all of line 6.

The Committee Amendment was read and adopted.

Senator Williams offered the following Committee Amendment to the bill:

Amend Senate Bill 95, Section 3, paragraph (d) by adding the words "and must be submitted to the" after the word Department in line 13; and the words "department by October 1st preceding the registration year for" on line 14; and the words "which requested" at the beginning of line 15.

The Committee Amendment was read and was adopted.

Senator Williams offered the following Committee Amendment to the bill:

Amend Senate Bill 95, Section 4, paragraph (f) by adding the words "during the registration year" after the word If on line 24 of page 2.

The Committee Amendment was read and was adopted.

On motion of Senator Williams and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

The bill as amended was passed to engrossment.

SENATE BILL 95 ON THIRD READING

Senator Williams moved that the Constitutional Rule and Senate Rule 68 requiring bills to be read on three several days be suspended and that **S.B. 95** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 3.

Yeas: Adams, Aikin, Andujar, Brackklein, Brooks, Clower, Doggett, Farabee, Gammage, Hance, Harrington, Harris, Kothmann, Lombardino, Longoria, Mauzy, McKinnon, McKnight, Meier, Mengden, Ogg, Patman, Santiesteban, Schwartz, Sherman, Snelson, Traeger and Williams.

Nays: Creighton, Jones and Moore.

The President then laid the bill before the Senate on its third reading and final passage.

The bill was read third time and was passed.

MESSAGE FROM THE HOUSE

Hall of the House of Representatives
Austin, Texas, March 25, 1975

Honorable William P. Hobby
President of the Senate

Sir: I am directed by the House to inform the Senate that the House has passed the following:

H.B. 33, A bill to be entitled An Act enabling a political subdivision to establish a formal hearing procedure for persons charging discriminatory employment practices by an officer or employee of the subdivision; providing for a local official to receive notice from the Equal Employment Opportunity Commission; amending Chapter 72, Acts of the 60th Legislature, Regular Session, 1967 (Article 6252-16, Vernon's Texas Civil Statutes) as amended; and declaring an emergency.

H.B. 438, A bill to be entitled An Act relating to silent prayer in public schools; amending Chapter 2, Texas Education Code, by adding Section 2.11; and declaring an emergency.

H.B. 1011, A bill to be entitled An Act relating to the imposition of a use tax on persons to whom metal dealer license plates are issued; amending Article 6.01, Title 122A, Taxation--General, Revised Civil Statutes of Texas, 1925, as amended, by adding Section (9); and declaring an emergency.

Respectfully submitted,
DOROTHY HALLMAN
Chief Clerk, House of Representatives

SENATE BILL 243 ON SECOND READING

Senator Ogg asked unanimous consent to suspend the regular order of business and take up **S.B. 243** for consideration at this time.

There was objection.

Senator Ogg then moved to suspend the regular order of business and take up **S.B. 243** for consideration at this time.

The motion prevailed by the following vote: Yeas 25, Nays 6.

Yeas: Adams, Aikin, Braecklein, Brooks, Clower, Creighton, Doggett, Farabee, Gammage, Hance, Harrington, Harris, Kothmann, Lombardino, Longoria, Mauzy, McKinnon, Meier, Ogg, Patman, Santiesteban, Schwartz, Sherman, Snelson and Williams.

Nays: Andujar, Jones, McKnight, Mengden, Moore and Traeger.

The President laid before the Senate on its second reading and passage to engrossment:

S.B. 243, A bill to be entitled An Act to be known as the Hospital Project Financing Act, etc.; and declaring an emergency.

The bill was read second time.

Senator Ogg offered the following Committee Amendment to the bill:

Amend Senate Bill 243 by striking Sec. 3(g) and substituting the following:

“(g) ‘Hospital Project’ means and includes any real, personal, or mixed property, or any interest therein, the financing, refinancing, acquiring, providing, constructing, enlarging, remodeling, renovating, improving, furnishing, or equipping of which is found by the Governing Body of an Issuer to be required, necessary, or convenient for medical care, research, training, and teaching, any one or all, within this State, irrespective of whether such property is in existence or to be provided after the making of such finding. The use of the singular ‘Hospital Project’ herein shall also include the plural ‘Hospital Projects’ unless the context clearly requires a different connotation. Without limiting the generality of the foregoing, and when found by the Governing Body of an Issuer to be so required, necessary, or convenient, ‘Hospital Project’ shall include the following:

(i) any land, buildings, equipment, machinery, furniture, facilities, and improvements;

(ii) any structure suitable for use as a hospital, clinic, health facility, extended care facility, out-patient facility, rehabilitation or recreation facility, pharmacy, medical laboratory, dental laboratory, physicians’ office building, or laundry or administrative facility or building related to a health facility or system;

(iii) any structure suitable for use as a multi-unit housing facility for medical staff, nurses, interns, other employees of a health facility or system, patients of a health facility, or relatives of patients admitted for treatment or care in a health facility;

(iv) any structure suitable for use as a support facility related to a Hospital Project such as an office building; parking lot or building; or maintenance, safety, or utility facility; and related equipment;

(v) any structure suitable for use as a medical or dental research facility, medical or dental training facility, or any other facility used in the education or training of health care personnel;

(vi) any property or material used in the landscaping, equipping, or furnishing of a Hospital Project and other similar items necessary or convenient for the operation of a Hospital Project; and

(vii) any other structure, facility, or equipment related to, convenient to, useful for, or essential to, the operation of any health facility or system except that a ‘Hospital Project’ shall not include any nursing home licensed as such, or which would be required to be licensed as such, by the Texas State Department of Public Health.

‘Hospital Project’ may include any combination of one or more of the foregoing.’

The Committee Amendment was read and was adopted.

Senator Ogg offered the following amendment to the bill:

Amend **S.B. 243** as follows:

1) amend Sec. 7(b) to read as follows:

"(b) The principal of, redemption premium, if any, and the interest on such bonds or notes shall be payable from and secured by a pledge of all or any part of the revenues of the Issuer to be derived from the ownership, operation, lease, use, mortgage, and/or sale of the Hospital Project for which such bonds or notes have been issued and/or from such other revenues, if any, as may be provided by a Non-Profit Corporation, all as specified by the resolution of the Governing Body or in any trust indenture or other instrument securing the bonds or notes."

2) amend the first sentence of Sec. 12(b) to read as follows:

"(b) The trust agreement may evidence a pledge of all or any part of the revenues of the Issuer to be derived from the ownership, operation, lease, use, mortgage, and/or sale of any Hospital Project for the payment of principal of, redemption premium, if any, and interest on such bonds or notes as the same shall become due and payable and may provide for the creation and maintenance of reserves."

3) add the following sentence at the end of the first sentence of Sec. 4:

"No money raised or to be raised from taxation shall ever be used to pay the principal of, redemption premium, if any, or interest on any revenue bonds or notes or refunding bonds or notes issued under this Act."

4) amend Sec. 6 to read as follows:

"Sec. 6. No Issuer shall have the power under this Act to acquire any Hospital Project, or any part thereof, to be sold or leased under this Act, by the exercise of the power of eminent domain. Land previously acquired by an Issuer in the exercise of the power of eminent domain may be sold or leased, under the provisions of this Act; provided that the Governing Body of the Issuer determines that (a) such use will not interfere with the purpose for which such land was originally acquired or that such land is no longer needed for such purpose, (b) at least seven years have elapsed since such land was so acquired, and (c) such land was not acquired for park purposes unless such sale or lease of park land has been approved at an election held under the authority of Chapter 108, Acts of the 63rd Legislature, 1973 (Article 1112, Vernon's Texas Civil Statutes).

5) amend Sec. 5(a) to read as follows:

"(a) To provide, or cause to be provided by a Non-Profit Corporation, by acquisition (whether by purchase, devise, gift, lease, or any one or more of such methods), construction, or improvement one or more Hospital Projects located within this State, and within or partially within the Issuer's boundaries; provided that with respect to the acquisition of one or more Hospital Projects, (a) the Issuer shall only acquire such Hospital Project from a Non-Profit Corporation which has been in existence and has operated such Hospital Project for a period of at least three years prior to the date of acquisition by the Issuer and (b) the Issuer affirmatively finds that the cost of such Hospital Project is not more than (1) the actual audited cost of the Hospital Project to the date of acquisition or (2) the fair market value of the Hospital Project at the date of acquisition as determined by an appraisal obtained by the Issuer, the cost of which appraisal shall be a cost of the Hospital Project; provided that as to a City, a Hospital Project may be situated outside its territorial limits if it is within its extraterritorial jurisdiction as provided by the Municipal Annexation Act, as amended (Article 970a, Vernon's Texas Civil Statutes); and, further provided that as to a City, a Hospital Project may be situated within the territorial limits of any other City if the Governing Body of such other City shall consent to the former City providing such Hospital Project."

The amendment was read and was adopted.

Senator Mengden offered the following amendment to the bill:

Amend S.B. 243 by adding a new Section 5 and renumbering the remaining sections accordingly:

"Section 5 (a) Each person selling a revenue bond or note as authorized in this Act shall, as a prerequisite to the sale, obtain a written acknowledgement from the purchaser, on a separate document, stating that the purchaser has been advised and fully and completely understands that neither the faith, credit, nor the taxing power of the State of Texas, the issuer, or any political subdivision or agency thereof is pledged in any way whatsoever to the payment of the principal of, redemption, premium, if any, or interest on such bonds or notes. A copy of this acknowledgement shall be provided to the purchaser and a copy retained by the seller.

"(b) Any sale of such revenue bonds or notes which does not include an acknowledgement as provided in Subsection (a) of this section signed by the purchaser is null and void. The purchaser is entitled to recover the consideration paid for the bonds or notes together with interest at the rate of six percent per year from the date of the payment and reasonable costs and attorney's fees, less the amount of any income received from the bonds or notes, on tender of appropriate instruments of reconveyance. If the purchaser no longer owns the bonds or notes, he is entitled to recover the amount that would be recoverable on a tender of reconveyance, less the value of the bonds or notes when disposed of and less interest at the rate of six percent per year on that amount from the date of disposition."

The amendment was read.

Senator Ogg moved to table the amendment.

The motion to table prevailed by the following vote: Yeas 24, Nays 4.

Yeas: Adams, Aikin, Braecklein, Clower, Doggett, Farabee, Gammage, Hance, Harrington, Harris, Jones, Kothmann, Lombardino, Longoria, Mauzy, McKinnon, Meier, Ogg, Patman, Santiesteban, Schwartz, Sherman, Snelson and Williams.

Nays: Andujar, Brooks, Mengden and Traeger.

Absent: Creighton, McKnight and Moore.

On motion of Senator Ogg and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

The bill as amended was passed to engrossment.

RECORD OF VOTES

Senators Andujar and Mengden asked to be recorded as voting "Nay" on the passage of the bill to engrossment.

SENATE BILL 243 ON THIRD READING

Senator Ogg moved that the Constitutional Rule and Senate Rule 68 requiring bills to be read on three several days be suspended and that S.B. 243 be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 25, Nays 3.

Yeas: Adams, Aikin, Braecklein, Brooks, Clower, Doggett, Farabee, Gammage, Hance, Harrington, Harris, Kothmann, Lombardino, Longoria, Mauzy,

McKinnon, Meier, Ogg, Patman, Santiesteban, Schwartz, Sherman, Snelson, Traeger and Williams.

Nays: Andujar, Jones and Mengden.

Absent: Creighton, McKnight and Moore.

The President then laid the bill before the Senate on its third reading and final passage.

The bill was read third time and was passed by the following vote: Yeas 25, Nays 3.

Yeas: Adams, Aikin, Braecklein, Brooks, Clower, Doggett, Farabee, Gammage, Hance, Harrington, Harris, Kothmann, Lombardino, Longoria, Mauzy, McKinnon, Meier, Ogg, Patman, Santiesteban, Schwartz, Sherman, Snelson, Traeger and Williams.

Nays: Andujar, Jones and Mengden.

Absent: Creighton, McKnight and Moore.

HOUSE BILLS ON FIRST READING

The following bills received from the House were read the first time and referred to the Committees indicated:

H.B. 613, To Committee on Finance.

H.B. 542, To Committee on State Affairs.

H.B. 48, To Committee on Finance.

H.B. 1011, To Committee on Economic Development.

H.B. 33, To Committee on Intergovernmental Relations.

H.B. 438, To Committee on Education.

REASON FOR VOTE

By Senator Bill Patman

MOTION TO SUSPEND REGULAR ORDER, **S.B. 69**, March 18, 1975

Senate Bill 69, if passed into law, will cause financial harm to almost every person, family, and business in Texas. Sponsored by loan company lobbyists, it authorizes enormous increases in interest rates on loans up to \$5000.

THE LAW ALREADY AUTHORIZES RATES THAT ARE TOO HIGH. For a \$1000 loan over 37 months, the present legal annual percentage rate is 19.54%; the proposed rate will be 24.04%. This loan can now cost you \$339.17 in interest alone. **S.B.69** jumps that cost to \$425.50 -- a 25.4% increase.

Loan companies frequently gouge borrowers by requiring them to pay life, health, and property insurance premiums. **WHEN CREDIT LIFE AND ACCIDENT & HEALTH COSTS ARE IMPOSED, THE ANNUAL PERCENTAGE RATE ON A 37-MONTH \$1000 LOAN JUMPS TO 31.02% UNDER S.B. 69.** This high cost does not include property insurance which may be required in addition. Thus the loan companies make a profit on both the high interest and the insurance. They have got you coming and going.

And you will be shocked to realize how few dollars you take home compared to your repayment obligation.

A MARRIED COUPLE BORROWING \$3000 FOR 60 MONTHS UNDER S.B. 69 MUST OBLIGATE THEMSELVES TO PAY THE LOAN COMPANY \$4640. DEDUCTING INSURANCE CHARGES, THE COMPANY REDUCES THE CASH AMOUNT TO \$2326.98. THEIR \$4640 OBLIGATION IS NEARLY TWICE THE AMOUNT THEY TAKE HOME.

Senate Bill 69 is inflationary, causing higher prices and demands for higher wages. This upward price spiral will continue to eat into the fixed and limited incomes of senior citizens, farmers and ranchers, and consumers everywhere. Rising unemployment and deteriorating economic conditions will likely make more and more families vulnerable to the credit traps skillfully set by loan companies. Their range of victims is further broadened by the recent legislation giving majority rights to 18-year-olds.

Loan company testimony has portrayed its industry as badly in need of rate increases. We have heard this complaint every session since 1967. The self-serving and poorly documented testimony of highly-paid lobbyists does not justify the enormous increases demanded by finance companies.

Witnesses who testified against the rate increases originally authorized by S.B. 69 showed them to be clearly exorbitant -- so exorbitant that the bill's sponsors backed down. On February 10 they agreed to a reduction in interest levels and amended the bill so that, in the words of a loan company witness, "SOMEONE CAN'T POINT TO TEXAS AND SAY THIS IS A LOAN SHARK BILL AND A LOAN SHARK STATE."

The February 10 rates are still too high. The interest cost alone on \$2600 for 37 months increases from the current \$641.33 to \$900.33 -- a \$259.00 increase. The new cost will be 40.39% greater. For a \$5000 loan over the same period, the dollar cost increase in interest alone is 27%.

The loan companies argue that other states have authorized higher rates. But interest rates in Texas should not be tied to the brutal levels which loan companies are able to squeeze through the weak legislatures in Mississippi, Louisiana, and other states that have virtually legalized loan sharking.

A careful examination of loan company profits is essential to a proper study of this bill. Many companies operate in several states. Some are parts of conglomerates that own insurance companies. A loan company can easily shift some of the expenses of its multi-state operation to its Texas operation in order to understate profits made here.

It is essential that Texas establish the rule that interest rates not be raised above existing high levels unless independent audits of all loan company operations clearly demonstrate the need for higher rates. **THE BURDEN OF PROOF MUST BE ON THE LOAN COMPANIES.**

Loan companies stand to gain mightily from S.B. 69. In 1973, the latest year for which statistics are available, 768,823 loans were made averaging \$830 each, for a total credit extension of \$637.9 million. S.B. 69 will give the loan companies additional income in the millions of dollars.

Banks and savings and loan companies can charge the same high rates as loan companies under present law and S.B. 69. Not a single witness from a bank or and loan testified that the rates of S.B. 69 should be adopted. Nor has the Finance Commission of Texas recommended S.B. 69 to the Legislature.

Testimony against S.B. 69 tells a tragic story of loan companies preying upon poor and desperate people, even those on welfare. The President of the Texas Consumer Association has said, "INEVITABLY, PASSAGE OF THIS BILL MEANS MORE CONSUMERS WILL FIND THEMSELVES ON THE 'CREDIT HOOK' SO THAT THEY NEVER ESCAPE THE TELEPHONE CALLS AND VISITS FROM LOAN COLLECTORS AND THE HUMILIATION AND FINANCIAL EMBARRASSMENT OF NOT BEING ABLE TO PAY THE HIGH INTEREST RATES."

The people of Texas deserve protection from ruthless laws which ignore their needs. They must not be punished by outrageous borrowing costs. They must not be subjected to economic exploitation.

SENATE BILL 69 DOES NOT SERVE THE INTERESTS OF THE PEOPLE. THE FAMILIES OF TEXAS WILL SUFFER A GREAT INJUSTICE IF SENATE BILL 69 BECOMES LAW.

William N. (Bill) Patman
State Senator
District 18
Ganado, Texas

NOTICES OF INTENT

The following Notices of Intent were filed with the Secretary of the Senate:

Wednesday, March 26, 1975

H.B. 499 - Senator Meier
H.B. 534 - Senator Meier
H.B. 648 - Senator Williams
H.B. 675 - Senator Farabee
C.S.S.B. 69 - Senator Moore
C.S.S.B. 109 - Senator Mauzy
C.S.S.B. 110 - Senator Mauzy
S.B. 141 - Senator Traeger
S.B. 228 - Senator Moore
S.B. 257 - Senator Mauzy
C.S.S.B. 262 - Senator Doggett
S.B. 306 - Senator Jones (Third Reading)
S.B. 307 - Senator Jones
C.S.S.B. 319 - Senator Patman
C.S.S.B. 397 - Senator Doggett
S.B. 407 - Senator Doggett
C.S.S.B. 433 - Senator Braecklein
S.B. 490 - Senator Jones

MEMORIAL RESOLUTION

S.R. 331 - By Senator Adams: Memorial resolution for Ernest LeRoy Sparks.

WELCOME AND CONGRATULATORY RESOLUTIONS

S.R. 330 - By Senator Kothmann: Extending congratulations to National Association for the Advancement of Colored People.

S.R. 332 - By Senator Farabee: Extending congratulations to the Iowa Park Junior High School newspaper.

S.R. 333 - By Senator Farabee: Extending congratulations to Western Texas College basketball team.

S.R. 334 - By Senator Farabee: Extending welcome to Mrs. Ben Cole.

S.R. 335 - By Senator Gammage: Extending welcome to students of Bi-County Deaf School.